



CALIFORNIA STATE PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

November 14, 2008

MINUTES

PRESENT:

Mr. Tom Sheehy, Chief Deputy Director, Department of Finance
Mr. Will Semmes, Chief Deputy Director, Department of General Services
Mr. Dave O'Toole, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Director Securities Management, State Treasurer's Office

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Nathan Brady, Assistant Administrative Secretary
Brian Dewey, Assistant Administrative Secretary
Matt Schuller, Budget Analyst
John Silva, Budget Analyst
Carlos Ochoa, Budget Analyst
Deborah Cregger, Staff Counsel
Aurelia Bethea, Executive Secretary

CALL TO ORDER AND ROLL CALL:

Mr. Tom Sheehy, Chairperson of the SPWB and Chief Deputy Director of the Department of Finance, called the meeting to order at 10:03 a.m. Mr. Greg Rogers, Administrative Secretary for the SPWB, called the roll. A quorum was established.

MINUTES:

The first order of business was approval and adoption of the minutes from October 10, 2008, and October 21, 2008, meetings. Mr. Rogers stated that staff had reviewed and recommended adoption of the minutes.

A motion was made by Mr. Lujano and second by Mr. O'Toole to approve and adopt the minutes from the October 10 and 14, 2008, meetings.

The minutes were approved by a 4-0 vote.

BOND ITEMS:

Mr. Rogers reported that there was one Bond Item on November's agenda. The Bond Item relates to the financing of a portion of phase one of the FISCal System.

The FISCAL System provides for a single integrated financial management system that encompasses the management of resources and dollars in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management, and human resources management.

The costs of the FISCal System proposed to be financed include, but are not limited to, the acquisition, design, development, installation, and development of the FISCAL System, enterprise resource planning software, and other specified costs.

Upon approval, the requested action will adopt a resolution authorizing actions to be taken to provide for interim financing and the sale of bonds or certificates to fund the costs of a portion of the FISCal System.

Mr. Rogers also noted that this item will be before the board again at a later date prior to the actual bond sale. Staff recommended adoption of the Resolution and approval of Bond Item #1. **A motion was made by Mr. Semmes and Second by Mr. O'Toole to adopt staff recommendation and approve Bond Item #1. Bond Item#1 was approved by a 4-0 vote.**

CONSENT CALENDAR:

The Consent Calendar consists of Items 1 through 6. These items proposed:

- 1 request to authorize site selection [Item 1]
- 1 request to authorize the sale of state surplus property [Item 2]
- 4 request to approve preliminary plans [Items 3, 4, 5, and 6]

There was no 20-day letters associated with the Consent Calendar.

Staff recommended approval of the Consent Calendar consisting of Consent Item 1 through 6.

A motion was made by Mr. Semmes and Second by Mr. Sheehy to approve the Consent Calendar Items 1 through 6. Consent Items 1 through 6 were approved by a 2-0 vote.

ACTION ITEMS: There was one Action Item is for the **California State Polytechnic University, Pomona Campus, College of Business and Administration, Los Angeles County**—the requested action will authorize a scope change.

Mr. Rogers reported that this scope change was brought as an action item because of a delay in the release of the letter notifying the legislature of the scope change and the expiration of the 20 days will not occur until November 17, 3 days after today's meeting.

This scope change is to keep the project within budget. The proposed reduction in space is in ancillary space, such as student meeting/lounge areas and wider hallways. Staff has discussed this scope change with the Joint Legislative Budget Committee staff and the analyst at the Legislative Analyst Office, neither party had questions or issues with the scope change.

Staff recommends this item be approved contingent upon the passage of the notification period without legislative comment.

A motion was made by Mr. Semmes and Second by Mr. Sheehy to adopt staff recommendation and approve the Action Item. Action Item#1 was approved by a 2-0 vote.

OTHER BUSINESS: There were two items under Other Business on November's agenda. The first Item under Other Business was to adopt the 2009 State Public Works Board Calendar. This calendar sets the meeting and due dates for the next Calendar year. The proposed calendar is consistent with the prior year calendars. The Board will continue to meet on the second Friday of each month. Staff reviewed the calendar and recommended approval.

A motion was made by Mr. Semmes and Second by Mr. Sheehy to approve the 2009 State Public Works Board Calendar. The calendar was approved by a 2-0 vote.

The Second Item under Other Business was to provide an update on the Military Department's acquisition of a Purchase Option for approximately 30 acres of land in Sacramento County for the Consolidated Headquarters Complex Project as was required by the June 13, 2008 Public Works Board meeting.

At the June 13, 2008 meeting, the Board approved the acquisition of a purchase option for land that would potentially serve as the site of a new headquarters complex for the Military Department. The purchase option was signed on June 25, 2008. The identified site was subject to a development agreement that could affect the functionality of the site. Because of the development agreement, the purchase option was crafted with language that enables the state to back out of the purchase option unharmed. The state has until December 22, 2008, to cancel the purchase option. As such, the Department of General Services was to work with the City of Rancho Cordova to remove the development agreement, and report back to the PWB at this meeting. The City of Rancho Cordova staff has recently relayed to the Department of General Service their willingness to work to reach an accord, which includes removal of the development agreement, with us.

Since the Department of General Services is currently in negotiations with the City of Rancho Cordova, it would be premature for them to provide a more complete update that would allow this Board to make a decision on whether or not to continue the development agreement. Therefore, at the December 12, 2008 meeting the Department of General Services will report on the final status of the efforts to remove the development agreement, and if these efforts are not successful, a recommendation will be made to PWB to determine whether to continue the purchase option.

REPORTABLES: Mr. Rogers reported five items that were approved by staff under the authority delegated by the Board.

NEXT MEETING:

The next regular meeting of the Public Works Board is scheduled for **December 12, 2008, at 10:00 am, at the State Capitol, in Room 113.**

Mr. Sheehy concluded the meeting at 10:15 a.m.